



LEXINGTON

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT'S

FIRST PUBLIC HEARING

SUMMARY OF

COMMUNITY DEVELOPMENT BLOCK GRANT

HOME

EMERGENCY SOLUTIONS GRANTS

2022 ANNUAL ACTION PLAN/CONSOLIDATED PLAN

ONE-YEAR ACTION PLAN FOR JULY 1, 2022 - JUNE 30, 2023

DECEMBER 6, 2021



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Applications will be available in December 6, 2021 through Neighborly software, go to:
<https://www.lexingtonky.gov/consolidated-plan>

DRAFTED 2022 CONSOLIDATED PLAN SCHEDULE

Announcement that 2021 Consolidated Plan process has begun	November 22, 2021
First Public Hearing	December 6, 2021, 6:00 P.M. LFUCG Council Chambers Government Center 200 East Main Street
Deadline for applications requesting funding and citizen comments	January 7, 2022, 5:00 P.M. Applications in Neighborly Software. Comments to Grants and Special Programs Government Center, 6 th Floor 200 East Main Street
Staff review of applications and interviews with applicants (if necessary)	Completed by February 4, 2022
Second Public Hearing	March 21, 2022, 6:00 P.M. LFUCG Council Chambers Government Center 200 East Main Street
Publication of draft 2022 Consolidated Plan One-Year Action Plan	April 11, 2022
Deadline for citizen comments	May 11, 2022 Grants and Special Programs Government Center, 6 th Floor 200 East Main Street
Council meetings to review 2022 Annual Action Plan	April 28, 2022 and May 5, 2022
Submission of Final 2022 Annual Action Plan to the U.S. Department of Housing and Urban Development	May 17, 2022 no later than May 17, 2022

Dates, times, and locations of meetings are subject to change.

INTRODUCTION

In accordance with the federal regulations governing the consolidated submission for Community Planning and Development Programs and the Citizen Participation Plan which has been approved by the Lexington-Fayette Urban County Council, a first public hearing is being conducted for the purpose of obtaining citizens' views. This public hearing is designed to address housing and community development needs, development of proposed activities, and a review of program performance.

Federal regulations require that the Lexington-Fayette Urban County Government prepare one document in which it states how it will pursue goals for all community planning and development programs, as well as for housing programs. The overall goal of the community planning and development programs to be covered by the single planning document is the development of viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities principally for low- and moderate-income persons.

- *Decent housing* includes assisting homeless persons to obtain appropriate housing and assisting persons at risk of becoming homeless; retention of the affordable housing stock; and increasing the availability of permanent housing in standard condition and at a cost affordable to low-income and moderate-income families, particularly to members of disadvantaged minorities, without discrimination on the basis of race, color, religion, sex, national origin, familial status, or disability. Decent housing also includes increasing the supply of supportive housing which combines structural features and services needed to enable persons with special needs, including persons with HIV/AIDS and their families, to live with dignity and independence; and providing housing affordable to low-income persons accessible to job opportunities.
- *A suitable living environment* includes improving the safety and livability of neighborhoods, increasing access to quality public and private facilities and services; reducing the isolation of income groups within a community or geographical area through the spatial de-concentration of housing opportunities for persons of lower income and the revitalization of deteriorating or deteriorated neighborhoods; restoring and preserving properties of special historic, architectural, or aesthetic value, and conservation of energy resources.
- *Expanded economic opportunities* includes job creation and retention; establishment, stabilization and expansion of small businesses (including microbusinesses); the provision of public services concerned with employment; the provision of jobs involved in carrying out activities under programs covered by this plan to low-income persons living in areas affected by those programs and activities; availability of mortgage financing for low-income persons at reasonable rates using nondiscriminatory lending practices; access to capital and credit for development activities that promote the long-term economic and social viability of the community; and empowerment and self-

sufficiency opportunities for low-income persons to reduce generational poverty in federally assisted and public housing.

The consolidated plan serves the following functions:

- a planning document for Lexington-Fayette County , which builds on a participatory process at the grassroots level;
- an application for federal funds under HUD's formula grant programs:
 - Community Development Block Grant Program (CDBG),
 - Emergency Solutions Grants Program (ESG), and the
 - HOME Investment Partnerships Program (HOME);
- a strategy to be followed in carrying out HUD programs; and
- an action plan that provides a basis for assessing performance.

The 2021 Annual Action Plan will contain a one-year action plan that addresses decent housing, a suitable living environment, and expanded economic opportunities for low- and moderate-income residents and will serve as the application for funding from the Community Development Block Grant (CDBG) program, the HOME Investment Partnerships program, and the Emergency Solutions Grants (ESG) program.

ESTIMATED FUNDS AVAILABLE

The Lexington-Fayette Urban County Government (LFUCG) received the following amounts for Annual Action Plan Program Year 2021 (Fiscal Year 2022). LFUCG will use these amounts in planning for the 2022 Consolidated Plan until better information is provided by the U.S. Department of Housing and Urban Development (HUD).

PROGRAM	FEDERAL AWARD	ANTICIPATED PROGRAM INCOME	CASH MATCH	TOTAL AVAILABLE FOR EXPENDITURE
CDBG	\$2,440,132	\$175,000	\$0	\$2,615,132
ESG	\$207,017	\$0	\$207,017	\$414,034
HOME	\$1,342,387	\$150,000	\$300,000	\$1,792,387
TOTAL	\$3,989,536	\$325,000	\$507,017	\$4,821,553

The Lexington-Fayette Urban County Government does not anticipate any increases in funding for Program Year 2022.

FUNDING PROGRAMS

Lexington-Fayette Urban County Government solicits applications from organizations requesting funds to carry out Consolidated Plan projects. The criteria used to review and rank applications include applicant capacity, project quality, need for project, and operational feasibility. Below are a list of funding programs available and program guidelines for 2022-2023.

Applications must be received by 5 pm, Friday, January 7, 2022 in Neighborly Software.

For questions, contact Celia Moore at (859) 258-3072 or cmoore@lexingtonky.gov.

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

The Lexington-Fayette Urban County Government is an entitlement city for Community Development Block Grant funds. This means that LFUCG receives annual allocations of funding for eligible activities from the U.S. Department of Housing and Urban Development (HUD) based upon federal appropriations and a formula and upon approval by HUD of a Consolidated Plan.

The Community Development Block Grant (CDBG) program is authorized under Title 1 of the Housing and Community Development Act of 1974, Public Law 93-383, as amended, and provides grants to entitlement community grantees to carry out a wide range of community development activities directed toward revitalizing neighborhoods, economic development, and providing improved community facilities and services. **Complete regulations for the CDBG program are at 24 CFR Part 570.**

NATIONAL OBJECTIVES

Community Development Block Grant (CDBG) entitlement grants may be used to carry out any of a very wide range of community and economic development activities specifically authorized in the CDBG law and regulations. **All LFUCG CDBG projects must address the national objective of benefiting low/moderate income persons.**

More information on national objectives can be reviewed at:

<https://www.hudexchange.info/resource/89/community-development-block-grant-program-cdbg-guide-to-national-objectives-and-eligible-activities-for-entitlement-communities/>.

Benefiting low and moderate income people

Entitlement communities develop their own programs and funding priorities; however, grantees must give maximum priority to activities which benefit low- and moderate-income persons. A low- and moderate- (L/M) income person is defined as a member of a family having an income equal to or less than the Section 8 Housing Assistance Payments Program low-income limits established by HUD applicable to the size of the person's family. A family is

defined as all persons living in the same household who are related by blood, marriage, or adoption.

Over a one-to-three year period (specified by grantee), at least 70 percent of the grantee's CDBG expenditures (after excluding certain planning and administrative costs) must be devoted to activities benefiting low- and moderate-income persons (80 percent or less of area median income). **This is the primary national objective.**

The **criteria** for how an activity may be considered to benefit L/M income persons are divided into four subcategories:

- (1) Those based on area benefit,
- (2) Those serving a limited clientele,
- (3) Those involving housing, and
- (4) Those involving employment (jobs)

Area benefit: For these purposes, an area benefit activity is an activity which is available to benefit all the residents of an area which is primarily residential. In order to qualify as addressing the national objective of benefit to L/M income persons on an area basis, an activity must meet the identified needs of L/M income persons residing in an area where at least 51% of the residents (defined using census tracts) are L/M income persons. The benefits of this type of activity are available to all residents in the area regardless of income.

Limited clientele: Projects that serve a limited clientele must meet one of the following tests:

- benefit a clientele who are generally presumed to be principally low- and moderate-income persons. Activities that exclusively serve a group of persons in any one or a combination of the following categories may be presumed to meet the low-income benefit requirement: abused children, battered spouses, elderly persons, adults who are severely disabled, homeless persons, illiterate adults, persons living with AIDS, and migrant farm workers;
- require information on family size and income so that it is evident that at least 51 percent of the clientele are low- and moderate-income;
- have income eligibility requirements which limit the activity exclusively to low- and moderate-income persons,

Housing: Section 105(c)(3) of the authorizing statute requires that an activity which assists in the acquisition, construction, or improvement of permanent, residential structures may qualify as benefiting L/M income persons only to the extent that the housing is occupied by L/M income persons. Therefore, for such activities to qualify under the L/M Income Benefit national objective, it must result in housing that will be occupied by L/M income households upon completion.

Jobs: Most (but not all) job creation or retention activities emanate from special economic development activities (§570.203). Section 105(c)(1) of the authorizing statute provides that these “special economic development” activities may meet the L/M Income Benefit national objective only in the following three ways:

- Be located in a predominantly L/M income neighborhood and serve the L/M income residents (e.g., a grocery store serving a L/M income neighborhood qualifies as area benefit); or
- Involve facilities designed for use predominantly by L/M income persons (e.g., a for-profit hospital that is designed to serve patients on Medicaid or welfare qualifies as limited clientele); or
- Involve the employment of persons, the majority of whom are L/M income persons

Reference: §570.208(a)(4) A L/M income jobs activity is one which creates or retains permanent jobs, at least 51% of which, on a full time equivalent (FTE) basis, are either held by L/M income persons or considered to be available to L/M income persons.

USES OF CDBG FUNDS

The LFUCG may use these funds for eligible facilities/programs/services or may subgrant funds to other eligible public or private nonprofit agencies for eligible facilities/programs/services. The LFUCG only makes awards of CDBG funds to other public entities and to private, nonprofit organizations that are in compliance with Kentucky state law.

All project activities must result in meeting one of the national objectives referenced above. Eligible CDBG activities include:

- ❖ **Acquisition** in whole or in part by purchase, long-term lease, donation, or otherwise of real property for a public purpose.
- ❖ **Public facilities and improvements.** Acquisition, construction, reconstruction, rehabilitation or installation of public facilities and improvements. Examples of Public facilities include parks, playgrounds, sidewalks, stormwater facilities, water and sewer lines, shelters for the homeless, senior centers, convalescent homes, hospitals, nursing homes, battered spouse shelters, halfway houses for run-away children, drug offenders or parolees, group homes for mentally retarded persons and temporary housing for disaster victims. *When such facilities are owned by nonprofit entities, they shall be operated so as to be open for use by the general public during all normal hours of operation.*
- ❖ **Clearance activities.** Clearance, demolition, and removal of buildings and improvements.
- ❖ **Public Services.** Provision of public services (including labor, supplies, and materials) including but not limited to those concerned with employment, crime prevention, child care, health, drug abuse, education, fair housing counseling, energy conservation, welfare (excludes income payments), homebuyer down payment assistance, or recreational needs.

To be eligible for CDBG assistance, a public service must be either a new service or a quantifiable increase in the level of an existing service above that which has been provided by or on behalf of the unit of general local government in the 12 calendar months before the submission of the action plan. The amount of funds expended for public services shall not exceed *15 percent* of the federal award to the LFUCG plus 15 percent of the program income received by the LFUCG during the previous year.

Please note that If CDBG funds are used for projects for homeless persons, data entry into KY Homeless Management Information Service is required. Also required is participation in the Lexington CoC Common Assessment and Coordinated Entry process.

- ❖ **Relocation.** Relocation payments and other assistance for permanently and temporarily relocated individuals, families, businesses, nonprofit organizations, and farm operations where the assistance is required.
- ❖ **Economic Development.** Provision of assistance to facilitate economic development by providing grants, loans, loan guarantees, and other forms of financial support, for the establishment, stabilization, and expansion of microenterprises; providing technical assistance, advice, and business support services to owners of microenterprises; providing general support, including peer support programs, counseling, child care, transportation, and other similar services, to owners of microenterprises.
- ❖ **Special Economic Development Activities.** Includes the acquisition, construction, rehabilitation, or installation of commercial or industrial buildings and facilities, capital equipment, and railroad spurs and similar extensions.
- ❖ **Rehabilitation and Preservation Activities.** CDBG funds may be used to finance the rehabilitation of privately owned buildings and improvements for residential purposes; low-income public housing and other publicly owned residential buildings and improvements; publicly or privately owned commercial or industrial buildings, except that the rehabilitation of such buildings owned by a private for-profit business is limited to improvements to the exterior of the building and the correction of code violations; and nonprofit owned nonresidential buildings and improvements that are not eligible as public facilities. Types of assistance include grants, loans, loan guarantees, and interest supplements. Rehabilitation activities include improvements to increase the efficient use of energy and water, connection of residential structures to water distribution lines or local sewer collection lines, lead-based paint inspection and abatement, rehabilitation services such as preparation of work specifications, loan processing, and inspections, improvements designed to remove material and architectural barriers that restrict the mobility and accessibility of elderly or severely disabled persons, code enforcement costs, and historic preservation activities.
- ❖ **Planning and Administration activities.** This category provides for funds to be expended upon data gathering, studies, analysis, and preparation of plans to include

comprehensive plans, community development plans, functional plans, small area and neighborhood plans, capacity building activities, evaluations, program administrative costs, public information, fair housing activities, and preparation of applications for federal programs where such activities are necessary to achieve its community development objectives. *A maximum of 20 percent of total CDBG funds may be spent on planning and administration.*

INELIGIBLE ACTIVITIES

The following activities may not be assisted with CDBG funds:

- Buildings or portions thereof, used for the general conduct of government, except for the removal of architectural barriers.
- General government expenses
- Political activities

Unless carried out by an eligible Community-Based Development Organization (CBDO), the following activities are generally ineligible for CDBG funding:

- Purchase of equipment
- Operating and maintenance expenses, except for those associated with public service activities
- New housing construction
- Income payments

OTHER PROGRAM REQUIREMENTS

Reasonable fees may be charged for use of CDBG-assisted facilities, but they may not be of a nature to exclude low and moderate income people.

Special assessments on real estate to recover the capital cost of public improvements wholly funded with CDBG funds are not allowed. Where CDBG funds are used to pay only a portion of the costs of a public improvement, special assessments may be used to recover the non-CDBG portion of the cost, but the community must use its CDBG funds to pay the portion of the assessment that would be otherwise levied against properties owned and occupied by low and moderate income people.

Grantees may not change the use of any facility assisted with CDBG funds unless: a) the new use is CDBG-eligible and the grantee holds a public hearing on the proposed change in use; or b) reimburses the CDBG account for all CDBG funds expended for the facility.

All activities that are CDBG-financed in whole or in part (as well as all CDBG program income) are subject to CDBG rules and limitations.

The following rules also apply to recipients of CDBG funding:

- Title VI of the Civil Rights Act of 1964 (Public Law 88-352)
- Fair Housing Act (Public Law 90-284)

- Section 109 of the Housing and Community Development Act of 1974, as amended, requiring that no person in the United States shall on the ground of race, national origin, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole in part with community development funds. Section 109 further prohibits discrimination on the basis of age or disability.
- Federal prevailing wage law and the Contract Work Hours and Safety Standards Act
- Environmental standards that further the purpose of the National Environmental Policy Act of 1969
- National Flood Insurance Program
- Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970,
- Employment and Contracting Opportunities
- Lead-based Paint Poisoning Prevention Act and Residential Lead-Based Paint Hazard Reduction Act of 1992
- Uniform administrative requirements and cost principles

HOME INVESTMENT PARTNERSHIP PROGRAM (HOME)

This program is authorized under Title II of the of the Cranston-Gonzalez National Affordable Housing Act, as amended, the purpose of which is to expand the supply of decent, safe, sanitary, and affordable housing, with primary attention to rental housing, for very low-income and low-income families. Based upon federal appropriations and a formula, the Lexington-Fayette Urban County Government is allocated federal funds under this program. Formula cities under HOME are called participating jurisdictions. Participating jurisdictions must provide a cash match equal to 25% of the federal program funds awarded. **The complete regulations are found at 24 CFR Part 92.**

USES OF HOME FUNDS

HOME funds may be used to provide incentives to develop and support affordable rental housing and homeownership affordability. The housing must be permanent or transitional housing, and includes permanent housing for disabled homeless persons, and single-room occupancy housing.

LFUCG may invest HOME funds as equity investments, interest-bearing loans or advances, noninterest-bearing loans or advances, interest subsidies, deferred payment loans, grants, or other forms of assistance that HUD determines to be consistent with the regulations. LFUCG has the right to establish the terms of assistance subject to federal regulations.

HOME funds may be used to pay the following eligible project costs:

- Development hard costs of new construction to meet the applicable new construction standards of the jurisdiction and the Model Energy Code.
- Development hard costs of rehabilitation to meet the applicable rehabilitation standards of the participating jurisdiction and the Section 8 Housing Quality Standards, to make essential improvements, including energy-related repairs or improvements, improvements necessary to permit use by handicapped persons, the abatement of lead-based paint hazards, and to repair or replace major housing systems in danger of failure.
- For both new construction and rehabilitation, eligible costs include the demolishing of existing structures, utility connections, and to make improvements to the project site that are in keeping with improvements of surrounding, standard projects.
- Costs of acquiring improved or unimproved real property, including acquisition by homebuyers.
- Soft costs associated with the financing or development of new construction, rehabilitation or acquisition of housing assisted with HOME funds. These soft costs include: architectural, engineering or related professional services required to prepare plans, drawings, specifications, or work write-ups; costs to process and settle the

financing for a project (private lender origination fees, credit reports, fees for title evidence, fees for recordation and filing of legal documents, building permits, attorney fees, appraisal fees); project audit costs, costs to provide information services such as affirmative marketing and fair housing information to prospective homeowners and tenants; for new construction and substantial rehabilitation, the cost of funding an initial operating deficit reserve to meet shortfall in project income during the period of project rent-up which may be used only to pay project operating expenses, reserve for replacement payments, and debt service; and staff and overhead cost directly related to carrying out the project.

- Project specific assistance to Community Housing Development Organizations.
- Relocation costs to persons displaced by the project.
- Reasonable costs which the participating jurisdiction incurs on the administration and planning of the HOME program. *A jurisdiction may not exceed ten percent of the fiscal year HOME basic formula allocation for planning and administration.*
- Costs related to the operation of a tenant-based rental assistance program which include rental assistance and security deposit payments.

Qualification as Affordable Housing and Income Targeting for Rental Housing:

- A rental housing project qualifies as affordable housing only if the project bears rents not greater than the lesser of the fair market rent for existing housing for comparable units in the area as established by HUD, or a rent that does not exceed 30 percent of the adjusted income of a family whose gross income equals 65 percent of the median income for the area, as determined by HUD, and
- In the case of projects with five or more rental units, not less than 20 percent of the rental units shall be occupied by very low-income families and bearing rents not greater than 30 percent of the gross income of a family whose income equals 50 percent of the median income for the area.
- At initial rent-up and for all new tenants, 90% of all HOME-assisted rental units shall be occupied by households whose incomes do not exceed 60 percent of the area median income, adjusted for family size; however all units shall be rented to households whose incomes are at or below 80 percent of the area median income, adjusted for family size.
- Housing shall remain affordable for periods of five to twenty years depending on the level of HOME funds invested and whether the activity was rehabilitation or new construction.

Qualification as affordable housing - Homeownership:

- Housing is deemed affordable if it has an initial purchase price that does not exceed 95% of the median purchase price for the jurisdiction as determined by HUD and is supported by an appraisal. As of April 1, 2021, the maximum purchase price of a HOME-assisted existing home in Fayette County is \$187,000 and for a HOME-assisted new house is \$243,000 (<https://www.hudexchange.info/resource/2312/home-maximum-purchase-price-after-rehab-value/>).
- Property must be principal residence of an owner whose family qualified as a low-income family at the time of purchase.

COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS (CHDOs):

LFUCG must allocate at least 15 percent of its annual formula allocation for investment only in housing to be developed, sponsored, or owned by community housing development organizations (CHDOs).

A CHDO is an organization which is organized under state law, is operated as a nonprofit organization, has a tax exemption ruling from the Internal Revenue Service under Section 501(c)(3) or (4), has among its purposes the provision of decent housing that is affordable to low- and moderate-income people, has a demonstrated capacity for carrying out activities assisted with HOME funds, has a history of serving the community within which housing is to be assisted, and maintains on its governing board a membership which is at least one-third low-income or representative of low-income neighborhoods. CHDOs must apply for certification annually.

OTHER PROGRAM REQUIREMENTS

The following rules also apply to recipients of HOME funding:

- Title VI of the Civil Rights Act of 1964 (Public Law 88-352)
- Fair Housing Act (Public Law 90-284)
- Federal prevailing wage law and the Contract Work Hours and Safety Standards Act
- Environmental standards that further the purpose of the National Environmental Policy Act of 1969
- National Flood Insurance Program
- Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970,
- Employment and Contracting Opportunities
- Lead-based Paint Poisoning Prevention Act and Residential Lead-Based Paint Hazard Reduction Act of 1992
- Uniform administrative requirements and cost principles
- Nondiscrimination and equal opportunity
- Affirmative marketing and minority outreach
- Violence Against Women Reauthorization Act of 2013

EMERGENCY SOLUTIONS GRANT PROGRAM

The purpose of the Emergency Solutions Grants (ESG) program is to assist individuals and families quickly regain stability in permanent housing after experiencing a housing crisis or homelessness. ESG provides grants by formula to LFUCG as an entitlement community to support homelessness prevention, emergency shelter and related services.

USES OF ESG FUNDS

ESG funds may be used for five program components:

- (1) street outreach
- (2) emergency shelter
- (3) homelessness prevention
- (4) rapid re-housing assistance
- (5) HMIS
- (6) administrative activities

The total amount of the LFUCG's fiscal year grant that may be used for street outreach and emergency shelter activities cannot exceed 60 percent of the recipient's fiscal year grant.

The total amount of ESG funds that may be used for administrative activities cannot exceed 7.5 percent of the recipient's fiscal year grant. **Regulations are codified at 24 CFR Part 576.**

Street outreach component. ESG funds may be used for costs of providing essential services necessary to reach out to unsheltered homeless people; connect them with emergency shelter, housing, or critical services; and provide urgent, nonfacility-based care to unsheltered homeless people who are unwilling or unable to access emergency shelter, housing, or an appropriate health facility.

Emergency shelter component. ESG funds may be used for costs of providing essential services to homeless families and individuals in emergency shelters, renovating buildings to be used as emergency shelter for homeless families and individuals, and operating emergency shelters.

Rapid re-housing assistance component. ESG funds may be used to provide housing relocation and stabilization services and short- and/or medium-term rental assistance as necessary to help a homeless individual or family move as quickly as possible into permanent housing and achieve stability in that housing. This assistance, referred to as rapid re-housing assistance, may be provided to program participants who meet the criteria under "homeless" definition. All Rapid Re-housing programs must adhere to the Lexington-Fayette Continuum of Care's Rapid Re-housing program standards.

Homelessness prevention component. ESG funds may be used to provide housing relocation and stabilization services and short- and/or medium-term rental assistance necessary to prevent an individual or family from moving into an emergency shelter or another place not meant for human habitation. This assistance, referred to as homelessness prevention, may be provided to individuals and families who meet the criteria under the “at risk of homelessness” definition, and have an annual income below 30 percent of median family income for the area, as determined by HUD. The costs of homelessness prevention are only eligible to the extent that the assistance is necessary to help the program participant regain stability in the program participant’s current permanent housing or move into other permanent housing and achieve stability in that housing.

HMIS Component: ESG funds may be used for pay the costs of contributing data to the Homeless Management Information System, including the costs of purchasing computer hardware, software, licenses, technical support, office space, network connectivity, salaries for operating HMIS, training costs, participation charges.

PROGRAM RESTRICTIONS:

All ESG recipients must participate in the community-wide HMIS homeless management information system and must participate in the Lexington-Fayette CoC Coordinated Entry system. HUD requires performance measures and data collection in order to show that the community has used these funds to prevent and reduce homelessness. These performance measures and data metrics are subject to change.

The following program restrictions also apply:

Each grantee must match the ESG funding provided by HUD with an equal amount of funds from sources other than the Emergency Solutions Grants program. Match may be in-kind.

Any building for which emergency shelter grant amounts are used for renovation, major rehabilitation, or conversion of building for use as an emergency shelter, must be maintained as a shelter for the homeless for not less than a three-year period, or if the grant amounts are used for major rehabilitation or conversion, for not less than a 10-year period.

FAITH-BASED ORGANIZATIONS

The U.S. Department of Housing and Urban Development (HUD) has issued a final rule on September 30, 2003 (Federal Register Volume 68, page 56396), requiring equal treatment of faith-based organizations participating in HOME, CDBG, and ESG programs. This rule provides for the following:

1. Organizations are eligible to participate in HUD-funded programs without regard to their religious character or affiliation.
2. HUD funds may not be used for acquisition, construction, or rehabilitation of sanctuaries, chapels, or any other rooms that a religious congregation uses as a principle place of worship.
3. Faith-based organizations that participate in HUD programs will retain their independence and may continue to carry out their missions, including the practice and expression of its religious beliefs, provided that they do not use direct HUD funds to support any inherently religious activities, such as worship, religious instruction, or proselytization.
4. Faith-based organizations in providing services funded in whole or in part by HUD, may not discriminate against current or prospective program beneficiaries on the basis of religion or religious beliefs.
5. Executive Order 11246 as amended by Executive Order 13279 applies to all HUD grantees. Executive Order 11246 provides for nondiscrimination against any employee or applicant for employment because of race, color, religion, sex, or national origin. E.O. 13279 allows a faith-based government contractor or subcontractor to take religion into consideration in the employment of individuals to perform work connected with the carrying on by the organization of its activities.

RELOCATION ASSISTANCE

In the event that residents are displaced by any activities undertaken by the LFUCG in its CDBG, HOME, or ESG programs, dislocated residents will receive relocation assistance required by the Uniform Relocation Act and Section 104 of the Housing and Community Development Act of 1974, as detailed below.

Relocation Assistance to Displaced Homeowner Occupants

As an eligible displaced homeowner occupant, you will be offered the following advisory and financial assistance:

- a) **Advisory Services:** This includes referrals to comparable replacement homes, the inspection of replacement housing to ensure that it meets established standards, help in preparing claim forms for relocation payments and other assistance to minimize the impact of the move.
- b) **Payment for Moving Expenses:** You may choose either a:
 - 1. Payment for Your Actual Reasonable Moving and Related Expenses, or
 - 2. A Fixed Moving Payment, or
 - 3. A combination of both, based on circumstances.
- c) **Replacement Housing Payment:** To enable you to buy or, if you prefer, rent a comparable replacement home, you may choose either:
 - 1. Purchase Assistance, or
 - 2. Rental Assistance.

Relocation Assistance to Tenants Displaced from Their Homes

As an eligible tenant displaced from your home, you will be offered the following advisory and financial assistance:

- a) **Advisory Services:** This includes referrals to comparable and suitable replacement homes, the inspection of replacement housing to ensure that it meets established standards, help in preparing claim forms for relocation payments and other assistance to minimize the impact of the move.
- b) **Payment for Moving Expenses:** You may choose either a:
 - 1. Payment for Your Actual Reasonable Moving and Related Expenses, or
 - 2. Fixed Moving Expense and Dislocation Allowance, or
 - 3. A combination of both, based on circumstances.
- c) **Replacement Housing Assistance:** To enable you to rent, or if you prefer, buy a comparable or suitable replacement home, you may choose either:
 - 1. Rental Assistance, or
 - 2. Purchase Assistance.

Relocation Assistance to Displaced Businesses, Nonprofit Organizations, and Farms

As an eligible displaced person, you will be offered the following advisory and financial assistance:

- a) **Advisory Services:** This includes referrals to suitable replacement locations, help in preparing claim forms for relocation payments and other assistance to minimize the impact of the move.
- b) **Payment for Moving and Reestablishment Expenses:** These fall into two general categories:

1. **Payment for Actual, Reasonable Moving and Related Expenses:** If you choose this payment, you may also be eligible for a Payment for Reestablishment Expenses, up to \$25,000.
2. **Fixed Payment (“In Lieu Of” Payment):** As an alternative to receiving payment for your actual, reasonable and related moving and reestablishment expenses, certain persons are eligible to choose a Fixed Payment in the amount of \$1,000 - \$40,000.

Residential Anti-Displacement and Relocation Assistance Plan

(Under Section 104 (d) of the Housing and Community Development Act of 1974, as Amended)

The Lexington-Fayette Urban County Government (LFUCG) will make every effort not to displace individuals or families as a result of projects funded with federal funding.

LFUCG will replace all occupied and vacant occupiable low-moderate income dwelling units demolished or converted to a use other than as low-moderate income housing as a direct result of activities assisted with funds provided in 24 CFR 570.606(b) (1). All replacement housing will be provided within three years of the commencement of the demolition or rehabilitation relating to conversion. Before obligating or expending funds that will directly result in such demolition or conversion, (LFUCG) will make public and submit to the HUD field office the following information in writing:

1. A description of the proposed assisted activity;
2. The general location on a map and approximate number of dwelling units by size (number of bedrooms) that will be demolished or converted to a use other than as low-moderate income dwelling units as a direct result of the assisted activity;
3. A time schedule for the commencement and completion of the demolition or conversion;
4. The general location on a map and approximate number of dwelling units by size (number of bedrooms) that will be provided as replacement dwelling units;
5. The source of funding and a time schedule for the provision of replacement units; and
6. The basis for concluding that each replacement dwelling unit will remain in a low-moderate income dwelling unit for at least 10 years from the date of initial occupancy.

The LFUCG will provide relocation assistance as described in 570.606(b) (2), to each low-moderate income household displaced by the demolition of housing or by the conversion of a low-moderate income dwelling to another use as a direct result of assisted activities. Consistent with the goals and objectives of activities under the Act, the LFUCG will take the following steps to minimize the displacement of persons from their homes:

1. Giving lower priority for Community Development Block Grant funding to projects which will result in displacement.
2. Implementation of design alternative to avoid displacement.
3. Use of undeveloped land for construction sites whenever possible.
4. Minimizing acquisition of right-of-way for public improvements projects.
5. Proceeding with demolition of structures under Code Enforcement Activities only as a last resort due to a threat to health and safety.
6. Use of temporary relocation in substantial rehabilitation whenever possible.

PREVIOUS USE OF PROGRAM FUNDS

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (CDBG)

Lexington-Fayette Urban County Government has been a formula grantee for Community Development Block Grant funds from the U.S. Department of Housing and Urban Development since fiscal year 1976. Over the period of 40 years, approximately one-third of the funds have been spent on public improvements, 10% on the acquisition and improvement of parks, and one-third on housing rehabilitation resulting in the rehabilitation of over 2,000 units.

HOME INVESTMENT PARTNERSHIP PROGRAM (HOME)

Lexington-Fayette Urban County Government has been a Participating Jurisdiction under the HOME Investment Partnerships Program since 1993. Types of projects funded under this program include homeowner rehabilitation, first-time homebuyer and multifamily housing projects.

EMERGENCY SOLUTIONS GRANT PROGRAM (ESG)

Since 1987, the Lexington-Fayette Urban County Government has received formula funding from the Emergency Shelter Grants Program, renamed Emergency Solutions Grants Program. Funds are used primarily for emergency shelter and rapid rehousing services.

2020 CONSOLIDATED PLAN 5-YEAR STRATEGIC PLAN JULY 1, 2020-JUNE 30, 2024

The Lexington-Fayette Urban County Government's 2020 Consolidated Plan represents the jurisdiction's goals and objectives for addressing housing and community development needs for the five-year period July 1, 2020 through June 30, 2024. The goals in the Consolidated Plan include the provision of safe and affordable housing for low- and moderate-income persons, homeless persons, and for persons with special needs; public improvements and neighborhood revitalization in low- and moderate-income neighborhoods; renovation of buildings and sites in the community that are used for the provision of social services to low-income persons; and provision of services that will positively impact social and economic conditions for low-income persons. The Lexington-Fayette Urban County Government (LFUCG) uses Community Development Block Grant funds, HOME Investment Partnerships Program funds, and Emergency Solutions Grants Program funds primarily for housing rehabilitation, new rental housing development, rehabilitation of rental units, first-time homeownership, public improvements, and public services for at-risk youth, homeless persons, and other persons with special needs. Below is a list of the Priorities that are found on pages 108-114 of the 2020 Consolidated Plan which can be found at:

<https://www.lexingtonky.gov/sites/default/files/2020-12/Final%202020%20Consolidated%20Plan%2011.25.20.pdf>

	Priority Need Name	Affordable Housing
	Priority Level	High
	Population	Extremely Low, Low, and Moderate Income Families with Children and Individuals ; Elderly, Chronic Homelessness, Chronic Substance Abuse, Veterans Persons with HIV/AIDS, Victims of Domestic Violence, Unaccompanied Youth Persons with Mental, Physical, and Developmental Disabilities Persons with Alcohol or Other Addictions, Persons with HIV/AIDS and their Families; Victims of Domestic Violence
	Associated Goals	Development of Rental Housing, Homeownership, Tenant Based Rental Assistance; Homeowner Housing Rehabilitation, Handicap Accessibility for Homeowners; Weatherization Enhancements in Homeownership Units, Emergency Repair for Homeowners
	Description	The jurisdiction intends to fund new rental housing development, rental housing rehabilitation, rehabilitation of existing ownership units, support of first-time homeownership opportunities, tenant-based rental assistance for low-income households to include persons who are homeless and persons with special needs who are not homeless.
	Basis for Relative Priority	The jurisdiction places a high priority on development and preservation of affordable housing for low-income households, due to cost-burden and severe cost-burden of households in the community.
2	Priority Need Name	Public Facilities
	Priority Level	High
	Population	Extremely Low, Low, and Moderate Income Families with Children and Individuals; Non-housing Community Development

	Associated Goals	Parks and Community Centers, Public Facilities--Cardinal Valley Neighborhood Other Public Facilities
	Description	The jurisdiction plans to fund facilities that are used by the government or nonprofit community-based organizations to address service needs of low-income households. The services include childcare, education, economic development, health care, job training, housing, youth development, aging services, life skills and parent education. This also includes improvement of parks and recreation facilities that are owned and operated by the local government.
	Basis for Relative Priority	The needs assessment identifies parks, community centers, and special purpose facilities in low-income areas that are in need of renovation to adequately serve the population.
3	Priority Need Name	Public Improvements and Infrastructure
	Priority Level	High
	Population	Extremely Low, Low, and Moderate Income
	Associated Goals	Public Improvements
	Description	The jurisdiction plans to continue funding for replacement of storm sewers, sanitary sewers, and new sidewalks and streets in low-income residential neighborhoods.
	Basis for Relative Priority	Needs for public infrastructure (storm water and sanitary sewers, and sidewalks) are identified by the Lexington-Fayette Urban County Government's Department of Planning, Preservation, and Development and the Department of Environmental Quality and Public Works. These needs are based upon engineering design studies which are accompanied by regular neighborhood meetings in areas where work is being considered.
4	Priority Need Name	Public Services
	Priority Level	High
	Population	Extremely Low, Low, and Moderate Income Families with Children and Individuals; Elderly, Chronic Homelessness, Veterans, Unaccompanied Youth Persons with Mental, Physical, and Developmental Disabilities Persons with Alcohol or Other Addictions, Persons with HIV/AIDS and their Families; Victims of Domestic Violence, Non-housing Community Development
	Associated Goals	Public Services - Non-Homeless Special Populations, Youth Programs, Financial Counseling and Education, and Homeless Populations; Fair Housing
	Description	The jurisdiction intends to fund services for special populations that include frail elderly, the chronic homeless, persons who have severe and persistent mental illnesses, persons with substance problems, persons with co-occurring disorders, persons with HIV/AIDS, and persons with intellectual and developmental disabilities. The jurisdiction also intends to fund youth programs to help reduce the risk of delinquency and poor school performance; financial counseling and education for adults; and services for Limited English Proficiency Persons.

	Basis for Relative Priority	The special needs populations are most in need of supportive services in order to attain self-sufficiency. Persons with the identified special needs are over-represented among the homeless ranks.
5	Priority Need Name	Economic Development
	Priority Level	Low
	Population	Extremely Low, Low, and Moderate Income Non-housing Community Development
	Associated Goals	Economic Development
	Description	The jurisdiction may fund educational and job training programs for low-income persons so that they can have access to jobs that pay a living wage. The jurisdiction may also fund through Section 108 an economic development venture that will provide jobs to low-income persons.
	Basis for Relative Priority	The needs assessment identifies that major employment sector is in retail trade, arts, entertainment, accommodations, and other services, representing approximately 36% of the jobs. A large number of these jobs tend to pay less than a living wage.
6	Priority Need Name	Rapid Rehousing
	Priority Level	High
	Population	Chronic Homelessness, Individuals and Families with Children Mentally Ill, Chronic Substance Abuse, Veterans Persons with HIV/AIDS, Victims of Domestic Violence
	Associated Goals	Rapid Rehousing
	Description	The jurisdiction will fund a rapid rehousing program from the Emergency Solutions Grants Program for households who are verified as homeless.
	Basis for Relative Priority	The point-in-time count in January 2019 identified 4724 people in emergency shelters, 575 persons in transitional housing, and 39 unsheltered persons, a total of 448 homeless persons. In emergency shelters there were 474 households with children.
7	Priority Need Name	Homelessness Prevention
	Priority Level	High
	Population	Extremely Low Income, Families with Children, and Elderly
	Associated Goals	Homelessness Prevention
	Description	The jurisdiction will fund a homelessness prevention program from the Emergency Solutions Grants Program for households who are verified as at-risk of homelessness.
	Basis for Relative Priority	The needs assessment identifies 10,104 extremely low-income renter households (<30% of AMI) who are severely cost burdened (paying more than 50% of their income for housing). Without intervention, these households are at risk of becoming homeless.
8	Priority Need Name	Emergency Shelter Operations
	Priority Level	High
	Population	Chronic Homelessness, Individuals, Families with Children Mentally Ill, Chronic Substance Abuse, Veterans Persons with HIV/AIDS, Victims of Domestic Violence, Unaccompanied Youth

	Associated Goals	Public Services--Homeless Populations
	Description	The jurisdiction will fund emergency shelter operations for homeless shelters for homeless men, young adults, homeless families with children, veterans, and victims of domestic violence.
	Basis for Relative Priority	The jurisdiction recognizes that there will likely always be a need for emergency shelters. The January 2019 point-in-time count revealed 3071 people staying in emergency shelters.

SOCIO-ECONOMIC INFORMATION
RACIAL CHARACTERISTICS OF POPULATION

Lexington-Fayette County
Source: 2010-2019 American Community Survey 5-Year Estimates

Race	Number of Persons	Percent of Total	Percent of Total 2015-2019	Percent Change from 2015-2019
White	234,432	72.6%	75.6%	-3.06%
African-American	44,810	13.9%	14.5%	-0.63%
American Indian & Alaska Native	1,031	0.3%	0.3%	-0.04%
Asian	11,224	3.4%	3.6%	-0.20%
Pacific Islander	163	0.04%	0.05%	-0.009%
Some other Race	8,630	2.6%	2.7%%	-0.19%
Two or more races	10,133	2.8%	3.2%	-0.46%
Total	323,152		315,109	2.49%
Hispanic or Latino	23,267	7.2%	6.96%	0.056%

LOW- AND MODERATE-INCOME
July 1, 2021

Lexington-Fayette County

FAMILY SIZE	30% OF MEDIAN INCOME	50% OF MEDIAN INCOME	60% OF MEDIAN INCOME	80% OF MEDIAN INCOME
1	\$15,900	\$26,450	\$31,740	\$42,300
2	\$18,150	\$30,200	\$36,240	\$48,350
3	\$21,960	\$34,000	\$40,800	\$54,400
4	\$26,500	\$37,750	\$45,300	\$60,400
5	\$31,040	\$40,800	\$48,960	\$65,250
6	\$35,580	\$43,800	\$52,560	\$70,100
7	\$40,120	\$46,850	\$56,220	\$74,900
8	\$44,660	\$49,850	\$59,820	\$79,750

Median Family Income for a family of four: \$75,500

Source of Data <https://www.huduser.gov/portal/datasets/il/il2021/2021summary.odn>

Lexington-Fayette Urban County Government
Low- and Moderate-Income Census Tracts
FY 2021: 2011-2015 American Community Survey

Census Tract	Block Group	LMI%		Census Tract	Block Group	LMI%
1.01	1	65%		11	2	87%
1.01	2	76%		11	3	83%
1.02	1	35%		11	4	83%
1.02	2	55%		13*	1	75%
2*	1	74%		13*	2	89%
2*	2	76%		14	1	88%
2*	3	25%		14	2	63%
2*	4	64%		15	1	74%
3	1	96%		15	2	64%
3	2	82%		16	1	56%
3	3	72%		16	2	71%
3	4	57%		17*	1	14%
4*	1	79%		17*	2	41%
4*	2	89%		17	3	53%
5	1	29%		18	1	92%
5	2	35%		18	2	98%
5	3	45%		19*	1	93%
5	4	46%		19*	2	69%
6	1	15%		20.01	1	98%
6	2	15%		20.01	2	77%
6	3	35%		20.01	3	76%
7*	1	90%		20.02*	1	88%
7*	2	57%		20.02*	2	37%
8.01	1	80%		22	1	36%
8.02	1	89%		22	2	35%
8.02	2	84%		23.03*	1	69%
9	1	66%		23.03*	2	80%
9	2	97%		23.03*	3	12%
9	3	100%		23.03*	4	17%
10	1	83%		23.04*	1	11%
10	2	65%		23.04*	2	5%
11	1	90%		24	1	48%

*Includes both eligible and ineligible census tract block groups. Subrecipient must demonstrate that participants served are from an eligible census tract and block group.

Lexington-Fayette Urban County Government
Low- and Moderate-Income Census Tracts
FY 2021: 2011-2015 American Community Survey

Census Tract	Block Group	LMI%		Census Tract	Block Group	LMI%
24	2	12%		32.02*	2	89%
24	3	47%		32.02*	3	92%
24	4	20%		32.02*	4	36%
25	1	30%		33*	1	39%
25	2	50%		33*	2	30%
25	3	72%		34.02*	1	64%
26*	1	41%		34.02*	2	58%
26*	2	58%		34.02*	3	81%
26*	3	62%		34.04*	1	84%
26*	4	56%		34.04*	2	21%
26*	5	68%		34.04*	3	73%
27	1	39%		34.05*	1	48%
27	2	54%		34.05*	2	28%
27	3	44%		34.05*	3	42%
28	1	33%		34.06*	1	41%
28	2	47%		34.06*	2	34%
29	1	52%		34.06*	3	40%
29	2	34%		34.07*	1	47%
29	3	53%		34.07*	2	18%
30*	1	53%		35.01	1	60%
30*	2	21%		35.01	2	54%
30*	3	59%		35.03	1	55%
30*	4	18%		35.03	2	79%
30*	5	56%		35.04	1	77%
31.01*	1	68%		35.04	2	65%
31.01*	2	50%		36	1	24%
31.02	1	55%		36	2	17%
31.02	2	32%		36	3	26%
32.01	1	63%		37.01	1	24%
32.01	2	32%		37.01	2	45%
32.02*	1	54%		37.02	1	32%

*Includes both eligible and ineligible census tract block groups. Subrecipient must demonstrate that participants served are from an eligible census tract and block group.

Lexington-Fayette Urban County Government
Low- and Moderate-Income Census Tracts
FY 2021: 2011-2015 American Community Survey

Census Tract	Block Group	LMI%		Census Tract	Block Group	LMI%
37.02	2	26%		39.14*	2	21%
37.03	1	22%		39.15	1	12%
37.03	2	37%		39.15	2	10%
37.04	1	11%		39.16	2	5%
37.04	2	13%		39.17	1	36%
37.04	3	12%		39.17	2	33%
38.02	1	35%		39.18	1	14%
38.02	2	21%		39.18	2	27%
38.02	3	40%		40.01*	1	64%
38.03	1	18%		40.01*	2	39%
38.03	2	31%		40.01*	3	73%
38.03	3	23%		40.03	1	48%
38.04	1	80%		40.03	2	54%
38.04	2	67%		40.03	3	14%
38.04	3	83%		40.05	1	11%
39.06	1	16%		40.06	1	5%
39.06	2	11%		40.07	1	38%
39.08*	1	20%		40.07	2	26%
39.08*	2	25%		41.03	1	33%
39.08*	3	20%		41.03	2	62%
39.09	1	40%		41.04*	1	45%
39.09	2	35%		41.04*	2	65%
39.10	1	80%		41.04*	3	57%
39.11	1	52%		41.05*	1	1%
39.11	2	63%		41.05*	2	41%
39.11	3	77%		41.05*	3	52%
39.12*	1	63%		41.06	1	15%
39.12*	2	18%		41.06	2	25%
39.13*	1	8%		41.07	1	3%
39.13*	2	4%		41.07	2	11%
39.13*	3	14%		41.07	3	24%
39.14*	1	75%		42.04	1	30%

<https://www.hudexchange.info/programs/acs-low-mod-summary-data/acs-low-mod-summary-data-block-groups-places/> and click ACS 2011-2015 All Block Groups type in Lexington-Fayette County. After the results are displayed, scroll to the bottom until you see “BLKGRP.” This will list the block group the address is listed in.

2022 ANNUAL ACTION PLAN

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT DIVISION OF GRANTS AND SPECIAL PROGRAMS

December 6, 2021

PUBLIC COMMENT FORM

Priorities	Comments/Suggestions

(Use additional pages as necessary.)

NAME (Please print): _____

ADDRESS: _____

PHONE NO: _____

ORGANIZATION REPRESENTED, IF ANY: _____

SIGNATURE: _____ DATE: _____

Please return this form to:

**Lexington-Fayette Urban County Government
Division of Grants and Special Programs
200 East Main Street, 6th Floor
Lexington, Kentucky 40507**

Or you may email comments to Celia Moore at cmoore@lexingtonky.gov.

Comments must be received by 5:00 p.m. on January 7, 2022.